

## Same Emperors, Still No Clothes Today's Economic Crisis Strips Bare Faulty Leadership Practices.



DENIS LEONARD, PH.D. AND WILLIAM MURPHY, PH.D.

You know the fable, the Emperor who glorified in himself and considered no one to be above him. Having been told that the clothing he would be wearing could only be seen by someone wise, he proceeded to “wear” his new clothes. Not one of his trusted advisers dared tell him that he appeared to be completely naked (for fear of the Emperor’s wrath and wanting desperately to believe what they had been told by the Emperor himself, that only wise people could see his clothes). Off the Emperor went in a public display. Only when a child shouted out, was the truth made plain.

Imagine how often this plays out in the business world, with emperor’s wooed by their own sense of perfection, with underlings cowed into a permanent state of voicing admiration regardless of underlying thoughts to the contrary. Yes, emperors, that is, business leaders, can knowingly or unwittingly find themselves proudly wearing no clothes. Of course, there comes a day when a voice shouts the truth, and oh how quickly the facade is revealed. Sadly, we don’t have to look far today to see not just the cracking of the facade, but the crumbling of entire kingdoms. Look no further than the entire financial sector, with emperors and their entourages now cast as villains and nations on the verge of falling.

Yes, it is patently obvious exactly how wrong things can go when leaders become like the Emperor with no clothes. If it is not obvious already, all leaders stop right now and ask yourself: How do I guard against becoming like the Emperor?

As you consider this, think about just two of the most common ways that leaders become like the Emperor in the fable.

The first is by creating a toxic situation whereby the leader’s counselors and advisers (the executive leadership team) are rewarded for being “yes” men or women. Leaders believe they are doing the best for the company and leading it well. They even believe their people are 100 percent behind them, following with glowing admiration. Leaders engage in this destructive path by either being passively or overtly aggressive.

The passive-aggressive leader rewards only those who shower admiration and agreement, drawing these favored into an inner circle. Since few want to be cast as an outsider, everyone soon learns what is necessary to win the leader’s favor.

The aggressive leader has no need for such a pleasing system. This leader uses an iron fist, with the tacit understanding that failure to accept and show approval for whatever he or she wants will lead to a stern rebuke and perhaps even ousting from the company. Here again, everyone learns the system and showers the leader with admiration (although some prepare resumes and work on their exit strategies). Leaders are led to believe they are working well and might even ask if everyone is in agreement on a decision. The response should come as no surprise.

The second way leaders become emperors is even more toxic. In the first, they were most likely unaware of their damaging and destructive effects. But the leaders in our second scenario knowingly quash any original thought, innovation, or even the suggestion of challenge. Asking “What if…” would be met with an outright anger from these leaders. Other voices are not worthy and have nothing to offer here. As a result, these leaders forcefully impose the authority of their own voice and decisions; no others matter. Workers



are indeed cowed in this environment, with the best workers looking for the exit door, and with those having nowhere else to go simply playing along while keeping a low profile.

When the company is in a tailspin and the leaders are unable to blame their people, an outside voice can often be heard to shout, “but he has no clothes,” exposing the failed leadership.

*Denis Leonard, Ph.D., is a senior member of ASQ and a certified manager of quality, auditor and Six Sigma Black Belt. He has been an examiner for the Wisconsin and Malcolm Baldrige quality awards. Denis recently co-authored the book, [An Executive Guide to Understanding & Implementing the Baldrige Criteria](#). He is President of [Business Excellence Consulting](#) and can be reached at [DenisLeonard@BusinessExcellenceConsulting.net](mailto:DenisLeonard@BusinessExcellenceConsulting.net) or at (406) 451-9124.*

*William Murphy, Ph.D., is an associate professor of marketing at [Edwards School of Business](#) at the University of Saskatchewan. He has developed distance learning marketing strategy courses for executives, taught across many marketing topics, consulted for numerous firms in business-to-business and consumer markets, and provided guidance for entrepreneurial ventures in both traditional and internet markets. William can be reached at [wmurphy@edwards.usask.ca](mailto:wmurphy@edwards.usask.ca) or at (306) 966-2769.*